



CITY COUNCIL

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COUNCILMEMBER DJOU: FIRE THE LIQUOR COMMISSION MANAGERS

Councilmember Charles K. Djou (Waikiki, East Honolulu), today called for the dismissal of both Wally Weatherwax and John Carroll, the chief administrator and chief investigator at the Honolulu Liquor Commission. Councilmember Djou stated, "Wally Weatherwax and John Carroll have presided over the most corrupt and unaccountable liquor commission in Honolulu's history. After an endless series of corruption convictions, ethical sanctions, an ongoing FBI probe, and now a negative management audit, the time has come to dismiss Mr. Weatherwax and Mr. Carroll. The Honolulu Liquor Commission must turn over a new leaf, but there is no way for the commission to start anew as long as Mr. Weatherwax and Mr. Carroll continue their reign of mismanagement. If the Liquor Commissioners refuse to fire Mr. Weatherwax and Mr. Carroll, I believe the Honolulu City Council should look into finding new commissioners."

According to Federal Judge David Ezra, under the "leadership" of Weatherwax and Carroll, the Honolulu Liquor Commission has become a "racketeering enterprise" with the most "open and notorious case of public corruption" he has ever seen. Currently, under the law, only the commissioners of the Liquor Commission have the authority to fire the chief administrator and chief investigator. The Mayor and Honolulu City Council, however, have authority over selection and dismissal of the liquor commissioners.

RECENT HISTORY OF THE HONOLULU LIQUOR COMMISSION UNDER ITS CURRENT MANAGERS

- August 2002: Carla Chu files suit in U.S. District Court against the City and County of Honolulu and the Liquor Commission over sexual harassment charges spanning over 10 years. Chu is the first and only female Liquor Commission investigator.
- January 2002: Liquor Commission hires 2 public relations firms at \$50,000 a year total to perform public relations work that was done by the commissioner.
- May 2002: Indictments handed down by Federal Grand Jury on eight Liquor Commission investigators. This was for bribes taken by the investigators between October 2000 and December 2001. Indictment totaled 57-charges.**
- July 2002: Investigators Kenneth Wright and Samuel K.Y. Ho pleaded guilty to bribery charges. Wright plea-bargained and assisted the prosecution.
- September 2002: Liquor Commission Investigator David K.H. Lee pleaded guilty to bribery; sentenced to 24-months in federal prison in February 2005.
- June 2003: State Ethics Commission ruled the Liquor Commissioners and their staff violated ethics laws when they accepted thousands of dollars of gifts from people the commission regulates.**
- November 2003: Resolution 03-223, introduced by Councilmember Charles K. Djou, requesting audit of Honolulu Liquor Commission. Resolution unanimously passes City Council and audit due in early 2005.
- November 2003: It is reported that from 2000 – 2003, the Honolulu Liquor Commission spent over \$580,000 on legal bills related to sexual harassment, ethics and workplace violence lawsuits.
- February 2004: Former liquor investigator Kerry Shannon files a whistleblower suit against the Honolulu Liquor Commission.
- March 2004: Liquor Commission settles with former investigator Carla Chu over sexual harassment charges and pays \$250,000 to dismiss the lawsuit.**
- April 2004: Investigator Arthur Andres pleads guilty on a plea bargain with the federal prosecutors. Investigators Harvey Hiranaka and Eduardo Mina are found guilty by federal judge on bribery charges. Former investigator Charles Wiggins serves as informant for prosecution and testifies against Hiranaka and Mina at their trial. **Wiggins successfully sued Liquor Commission on whistle blowing retaliation charges. Liquor Commission eventually paid \$387,500 in November 2003 to settle the case.**
- July 2004: Investigator William Richardson found guilty by federal judge and sentenced to 20 months in federal prison.
- August 2004: Investigator Colin Oshiro was found guilty by a federal judge and sentenced to 20 months in federal prison.
- January 2005: The Federal Bureau of Investigations serves search warrant on Liquor Commission. F.B.I. removes documents and criminal investigation for continuing wrong-doing is currently ongoing.**
- April 2005: Investigator Samuel K.Y. Ho sentenced to 22 months in prison. Judge David Ezra blasts the Honolulu Liquor Commission, saying they turned the office into a “**brazen racketeering enterprise.**”
- April 2005: City Auditor releases audit of the Honolulu Liquor Commission, finding there is inadequate management and oversight which hampers the ability of the Commission to effectively fulfill its responsibilities.**

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